HARRIS CORP /DE/
Form 11-K
June 28, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 11-K
(Mark One)
þ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2017
OR
¨ TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Commission file number 1-3863
A. Full title of the plan and the address of the plan, if different from that of the issuer named below:
Harris Corporation Retirement Plan
B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:
Harris Corporation
1025 West NASA Blvd.
Melbourne, Florida 32919

HARRIS CORPORATION
RETIREMENT PLAN
Audited Financial Statements and Supplemental Schedule
As of December 31, 2017 and 2016
and for the Year Ended December 31, 2017

HARRIS CORPORATION RETIREMENT PLAN
December 31, 2017 and 2016 and for the year ended December 31, 2017
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All other schedules required by section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

REPORT OF INDEPENDENT REGISTERED CERTIFIED PUBLIC ACCOUNTING FIRM
To the Participants and the Harris Corporation Employee Benefits Committee of the
Harris Corporation Retirement Plan

Opinion on the Financial Statements

We have audited the accompanying statements of net assets available for benefits of the Harris Corporation Retirement Plan (the "Plan") as of December 31, 2017 and 2016, and the related statement of changes in net assets available for benefits for the year ended December 31, 2017, and the related notes and schedule (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2017 and 2016, and the changes in net assets available for benefits for the year ended December 31, 2017, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on the Plan's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Plan in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Supplemental Information

The supplemental information contained in the schedule of assets (held at end of year) has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/ Carr, Riggs & Ingram, LLC
We have served as the Plan's auditor since 2014.
Clearwater, Florida
June 28, 2018

HARRIS CORPORATION RETIREMENT PLAN
Statements of Net Assets Available for Benefits

| | December 31, 2017 | December 31, 2016 |
|---|---|---|
| ASSETS | | |
| Investments at fair value: | | |
| Interest bearing cash | $21,776,479 | $9,665,581 |
| Preferred stocks | 7,941,595 | 5,892,955 |
| Brokerage window account | 31,944,710 | 23,792,241 |
| Corporate bonds & debentures | 1,734,403 | 587,560 |
| Partnership interests | 244,513 | 868,563 |
| Common stocks | 1,368,338,581 | 1,130,784,693 |
| Registered investment companies | 171,010,952 | 204,454,745 |
| Common/collective trust funds | 4,041,369,625 | 3,623,148,902 |
| Total investments at fair value | 5,644,360,858 | 4,999,195,240 |
| Investments at contract value: | | |
| Synthetic guaranteed investment contracts | 1,039,241,263 | 1,149,589,327 |
| Receivables: | | |
| Accrued interest and dividends | 1,312,460 | 1,184,128 |
| Participant contributions receivable | 6,250,380 | 7,237,133 |
| Employer matching contributions receivable | 2,871,716 | 2,597,685 |
| Notes receivable from participants | 55,994,836 | 63,583,318 |
| Due from broker for securities sold | 12,820,957 | 1,427,819 |
| Total receivables | 79,250,349 | 76,030,083 |
| Total assets | 6,762,852,470 | 6,224,814,650 |
| LIABILITIES | | |
| Accrued administrative expenses | 989,500 | 854,177 |
| Due to broker for securities purchased | 3,256,713 | 5,179,676 |
| Total liabilities | 4,246,213 | 6,033,853 |
| Net assets available for benefits | $6,758,606,257 | $6,218,780,797 |

The accompanying notes are an integral part of these financial statements.

HARRIS CORPORATION RETIREMENT PLAN
Statement of Changes in Net Assets Available for Benefits
For the year ended December 31, 2017

| | |
|---|---|
| Additions to net assets attributed to: | |
| Investment income: | |
| Net appreciation in fair value of investments | $935,928,097 |
| Net appreciation in contract value of investments | 2,880,057 |
| Dividends | 17,738,169 |
| Total | 956,546,323 |
| Contributions: | |
| Participant rollovers | 20,347,380 |
| Employer matching | 80,418,408 |
| Participant (other than rollovers) | 167,799,010 |
| Total contributions | 268,564,798 |
| Interest on notes receivable from participants | 2,651,322 |
| Total additions | 1,227,762,443 |
| Deductions from net assets attributed to: | |
| Benefits paid to participants | 677,777,908 |
| Administrative expenses | 10,159,075 |
| Total deductions | 687,936,983 |
| Net change in plan assets available for benefits | 539,825,460 |
| Net assets available for benefits: | |
| Beginning of year | 6,218,780,797 |
| End of year | $6,758,606,257 |

The accompanying notes are an integral part of these financial statements.

HARRIS CORPORATION RETIREMENT PLAN
Notes to the Financial Statements
December 31, 2017 and 2016
NOTE 1 — DESCRIPTION OF PLAN
The following description of the Harris Corporation Retirement Plan (the "Plan") provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

A. General — The Plan is a defined contribution plan with a 401(k) feature covering eligible employees of Harris Corporation and certain of its subsidiaries (collectively, the "Company" or "Employer") as defined in the Plan document. The Plan Administrator is the Harris Corporation Employee Benefits Committee comprised of persons appointed by Harris Corporation. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA").

B. Contributions — Participants may contribute a percentage of eligible compensation, as defined in the Plan document and subject to Internal Revenue Code (the "Code") limitations, on a pre-tax and/or an after-tax basis. After-tax contributions may be made either on a regular after-tax basis or on a designated Roth after-tax basis. Participants age 50 and older by the end of the calendar year can contribute an additional amount above the annual pre-tax/designated Roth after-tax limitation, as defined in the Plan document and subject to Code limitations. The Company matches up to 100% of pre-tax and after-tax contributions subject to a limit of 6% (5% for a participant who is accruing a benefit under the Company's defined benefit pension plan) of eligible compensation for any eligible employee who has completed one year of service with the Company. Special matching rules apply to participants who are subject to a collective bargaining agreement. Full-time regular participants who are not subject to a collective bargaining agreement and who make no election with respect to their contribution percentage are deemed to have elected deferment of 6% of eligible compensation on a pre-tax basis. The Company may make discretionary profit sharing contributions to the Plan in an amount determined by the Company, allocated to eligible participants based on eligible compensation as defined in the Plan document. For the year ended December 31, 2017, no profit sharing contributions were made. Additional Company contributions may be made on behalf of participants who are subject to a collective bargaining agreement or to satisfy, in part, the Company's obligations to certain participants under wage determination or similar laws. In addition, participants may rollover amounts to the Plan from other qualified retirement plans or certain individual retirement accounts ("IRAs").

C. Payments of Benefits — Prior to termination of employment, a participant may withdraw all or any portion of his or her regular after-tax account balance or rollover account balance. A participant may also receive a distribution while employed for financial hardship, as defined in the Plan document, after attainment of age 59 $^1/_2$ or in certain cases, in connection with active military duty. Upon retirement or other termination of employment, a participant may elect to receive either a lump-sum amount equal to all or a portion of the participant's vested account, or installments of his or her vested account over a future period. Alternatively, a participant generally will be eligible to rollover his or her vested account to an eligible retirement plan or IRA. In addition, certain other distribution options applicable to assets merged into the Plan have been preserved, as legally required.

D. Participant Loans — The participant loan program permits participants to borrow against their pre-tax, regular after-tax, qualified non-elective, designated Roth after-tax and rollover contributions. A participant may borrow in increments of $100 from a minimum of $500 to a maximum of 50% of the vested portion of the participant's account or $50,000 whichever is lower, within certain limitations established by the Plan document. Payback periods range from one to five years unless the loan is to be used for the purchase of a principal residence, in which case the payback period generally may not exceed ten years. Interest rates are established by the Plan Administrator based on market rates. Loans are paid back ratably through payroll deductions (or, if the participant is not receiving paychecks, then they are paid back by personal, certified or cashier's check, money order or electronic transfer). The outstanding loans have been established as a separate fund.

E. Participant Accounts — Each participant's account is credited with the participant's contribution, including the contribution, if any, in respect of the participant's election under the Company's Performance Reward Plan (or similar plan), and allocations of (a) the Company's contributions and (b) Plan earnings, and is charged with an allocation of Plan losses and administrative expenses. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

F. Vesting — Participants are immediately vested in their pre-tax, regular after-tax, designated Roth after-tax, qualified non-elective and rollover contributions plus earnings thereon. Participants also are immediately vested in Company contributions other than Employer matching and any profit sharing contributions, plus earnings thereon. Vesting in the Employer matching and any profit sharing contributions, plus earnings thereon, is based on years of service, as

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defined in the Plan document. A participant is 100% vested after four years of service, based on the following schedule.

| Years of Service | Vesting Percentage | |
|---|---|---|
| Less than 1 year | 0 | % |
| 1 year | 25 | % |
| 2 years | 50 | % |
| 3 years | 75 | % |
| 4 years | 100 | % |

However, certain vesting schedules applicable to assets merged into the Plan have been preserved, as legally required, and may result in the vesting of Employer matching and any profit sharing contributions, plus earnings thereon, more quickly than described above. In addition, in the event of a disposition by the Company of a business or substantially all of the assets of a business, the participants impacted by such disposition may in certain circumstances become 100% vested in Employer matching and any profit sharing contributions, plus earnings thereon.

A participant also becomes 100% vested in Employer matching and any profit sharing contributions, plus earnings thereon, upon his or her termination of employment after attaining age 55 or on account of his or her death or disability (as defined in the Plan document), or if a participant dies while on leave of absence due to qualified military service.

In addition, special vesting applies to certain participants in the Plan who are subject to a collective bargaining agreement. Certain of such participants are immediately vested in their Employer matching and any profit sharing contributions, plus earnings thereon, and others become vested in their Employer matching and any profit sharing contributions, plus earnings thereon, as follows:

| Years of Service | Vesting Percentage | |
|---|---|---|
| Less than 1 year | 0 | % |
| 1 year | 20 | % |
| 2 years | 40 | % |
| 3 years | 60 | % |
| 4 years | 80 | % |
| 5 years | 100 | % |

G. Forfeitures — A terminated participant who is not 100% vested will forfeit the non-vested portion of the Company's contributions plus earnings thereon unless the participant returns to employment within five years. The forfeited contributions are used first, to restore the accounts of recently located missing participants, as defined in the Plan document; next, to restore the accounts of participants who are reemployed prior to incurring a break in service of five consecutive years; next, to fund any Company contributions to be allocated to participants who are reemployed after a period of qualified military service, as defined in the Plan document; and finally, to reduce future contributions to the Plan by the Company. Forfeited amounts included in Plan assets at December 31, 2017 and 2016 were $584,461 and 952,678, respectively. For the year ended December 31, 2017, Company contributions to the Plan were reduced by $1,961,296 from forfeited non-vested accounts.

H. Plan Termination — Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

I. Investment Options — Upon enrollment into the Plan, a participant may direct Company and participant contributions into any of several investment options (including the Harris Stock Fund) and/or a brokerage window account. A participant may transfer amounts from other investment options into the Harris Stock Fund, provided that no transfer shall cause more than 20% of a participant's account to be invested in the Harris Stock Fund. The Harris Stock Fund has been designated as an "employee stock ownership plan," which means that the Company is entitled to a deduction for dividends paid on shares held in the Harris Stock Fund. Any such dividends are 100% vested and participants are permitted to elect that such dividends either be maintained in the Plan and reinvested in the Harris Stock Fund or paid from the Plan in cash to the participant.

The investment options are described in detail in the Plan's "Summary Plan Description," which is available to all participants. In the event no investment option is selected by a participant, the default investment option for contributions is the LifeCycle Fund that is age-appropriate for the participant. Elections to change investment options can be made daily; however, amounts in the Stable Value Fund cannot be transfe